

## Message Text

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73-61

ORIGIN SS-20

INFO OCT-01 CCO-00 RSC-01 SSO-00 ISO-00 /022 R

DRAFTED BY E:WJCASEY

APPROVED BY THE ACTING SECRETARY

S/S- MR. LUERS

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FM SECSTATE WASHDC

TO AMCONSUL JERUSALEM IMMEDIATE

INFO AMEMBASSY TEL AVIV IMMEDIATE

C O N F I D E N T I A L STATE 009624

TOSEC 144

E.O. 11652

TAGS: EAGR

SUBJECT: SUGAR LEGISLATION

FOR THE SECRETARY FROM UNDER SECRETARY CASEY

1. PRESIDENTIAL DECISION IS REQUIRED ON ADMINISTRATION  
STANCE ON NEW SUGAR LEGISLATION TO REPLACE SUGAR ACT  
WHICH EXPIRES DECEMBER 31, 1974. AGRICULTURE PROPOSES A  
NEW SYSTEM WHICH WOULD ELIMINATE SUGAR IMPORT QUOTAS AND  
SET A TARGET PRICE FOR SUGAR WITH INCOME BENEFITS TO  
DOMESTIC GROWERS WHEN PRICE FALLS BELOW THAT LEVEL. EXCEPT  
FOR TREASURY, OTHER AGENCIES CONCUR GENERALLY, SOME  
PREFERRING AN IMMEDIATE ELIMINATION OF QUOTAS AND OTHERS  
PREFERRING TRANSITION OVER THREE TO FIVE YEARS.  
ELIMINATION OF SUGAR QUOTAS WOULD BE TROUBLESOME FOR THE  
PHILIPPINES, DOMINICAN REPUBLIC, JAMAICA, PERU, PANAMA,  
AND OTHER LATIN AMERICAN AND AFRICAN COUNTRIES. THE  
GEOGRAPHIC BUREAUS STRONGLY PREFER CONTINUATION OF THE  
QUOTA SYSTEM. STRONG CONGRESSIONAL FORCES ALSO PREFER THE  
QUOTA SYSTEM, SO THAT THERE IS NO ASSURANCE THAT EFFORT TO  
ELIMINATE QUOTAS WOULD SUCCEED. EB URGES THAT ELIMINATION  
OF QUOTAS WOULD MAKE SUGAR POLICY COMPATIBLE WITH BALANCE  
OF U.S. FARM PROGRAM, WOULD OPEN UP U.S. MARKET TO

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FOREIGN SUGAR GROWERS ON AN UNTIED BASIS, BE MORE

CONSISTENT WITH U.S. SUPPORT OF OPEN INTERNATIONAL TRADING SYSTEM, AND AVOID ANNUAL STRUGGLE OVER CARVING UP SUGAR QUOTA AMONG FOREIGN PRODUCERS.

2. AT A MEETING IN WHICH THESE VIEWPOINTS WERE THRASHED OUT, RUSH AND I CONCLUDED THAT THIS IS NOT THE TIME TO ELIMINATE QUOTAS IN THE FACE OF ECONOMIC AND POLITICAL PRESSURE IN THE PHILIPPINES SURROUNDING RENEGOTIATION OF NEW ECONOMIC RELATIONSHIP TO REPLACE LAUREL-LANGLEY, BAUXITE PROBLEMS IN THE CARIBBEAN, OIL AND OTHER PRESSURES ON LDCS, PRESENT U.S. STANCE TOWARDS LDCS IN GENERAL, AND YOUR PLANS FOR A NEW INITIATIVE IN LATIN AMERICA. IF YOU CONCUR, THIS POSITION WILL BE TRANSMITTED TO THE PRESIDENT THROUGH CIEP. RUSH

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** SUGAR, LAW, LESS DEVELOPED COUNTRIES, TOSEC 144, IMPORT QUOTAS, CENTRAL LEGISLATURE  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 16 JAN 1974  
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**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**TAGS:** EAGR, US  
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